Amendments to the Claims:

This listing of claims will replace all prior versions, and listings, of claims in the application:

Listing of Claims:

1-17. (canceled)

18. (new) A computer-implemented system for automated trading of U.S. Treasury, Liquid Agency, and Zero Coupon Strip financial instruments, comprising:

an updatable database for receiving real time price and quantity information pertaining to each of a plurality of financial instruments from a market data feed, wherein the plurality of financial instruments constitutes an offering inventory and each such financial instrument is one of a U.S. Treasury, Liquid Agency, and Zero Coupon Strip financial instrument; and

a computer implemented system proprietor for automatically (1) identifying a trade of a selected one of the financial instruments in the offering inventory to be executed, (2) determining if the trade to be executed is an offsetting trade, wherein an offsetting trade is at least one of a plurality of trades of a same financial instrument, which plurality of trades are executed within a predefined period of time of each other, and, (3) if the trade to be executed is determined to be an offsetting trade, applying a price improvement rule to the offsetting trade that improves a price of the offsetting trade for at least one party to the offsetting trade,

wherein applying the at least one price improvement rule comprises the system proprietor:

capturing a bid price and an offer price for the selected financial instrument from the offering inventory; and

computing an improved price for trading the selected financial instrument that is an improvement to the first order price, which improved price is between the bid price and the offer price;

said system proprietor forwarding the offsetting trade to a remote public exchange for execution at the improved price, and updating the database and the offering inventory to reflect transactions forwarded by the system.

19. (new) The system of claim 18, wherein said system proprietor is further for canceling or revising orders.

20. (new) The system of claim 18, wherein the system notifies a user that an order has been executed.

21. (new) The system of claim 18, further comprising an interface for allowing a user to manually update the offering inventory.

22. (new) The system of claim 18, wherein said system proprietor automatically updates the offering inventory.

23. (new) The system of claim 18, wherein the market data feed is provided by at least one Interdealer Broker.

24. (new) The system of claim 23, wherein the market data feed is reformatted to record-based data prior to entry into the system.

25. (new) The system of claim 18, further comprising a filter for removing incorrect market data from the offering inventory.

26. (new) The system of claim 18, wherein the system proprietor is operative to determine a derived price for the selected financial instrument, wherein the derived price is calculated by:

(a) determining a spread between a last transaction price and a desired transaction benchmark for the selected financial instrument;

(b) determining a current existing price of the desired transaction benchmark; and

(c) adding the spread to the current existing price of the transaction benchmark.

27. (new) The system of claim 18, wherein the system proprietor generates a confirmation of the trade after execution thereof.

28. (new) The system of claim 18, wherein the system allows the user to manually enter interfirm or dealer to dealer trades for execution.

29. (new) The system of claim 28, wherein the system automatically updates the offering inventory in accordance with the manual trade.

30. (new) The system of claim 18, wherein the price of the offsetting trade prior to application of the price improvement rule is a national best bid and offer price.

31. (new) The system of claim 30, wherein said system proprietor is further for converting the national best bid and offer price to a derived price in the event the national best bid and offer price is not available.

32. (new) The system of claim 18, wherein offsetting trades are executed at an execution price and wherein the price improvement rule comprises computing an average of the execution prices of a plurality of offsetting trades and applying the average of the execution prices to at least one of the offsetting trades.

33. (new) A computer-implemented data processing method for the automated trading of high liquidity financial instruments, said method comprising;

receiving, in an updatable database, real time price and quantity information pertaining to each of a plurality of financial instruments from a market data feed, wherein the plurality of financial instruments constitutes an offering inventory and each such financial instrument is one of a U.S. Treasury, Liquid Agency, and Zero Coupon Strip financial instrument; and

automatically performing the steps, in a computer implemented system proprietor, of (1) identifying a trade of a selected one of the financial instruments in the offering inventory to be executed, (2) determining if the trade to be executed is an offsetting trade,

wherein an offsetting trade is at least one of a plurality of trades of a same financial instrument, which plurality of trades are executed within a predefined period of time of each other, and, (3) if the trade to be executed is determined to be an offsetting trade, applying a price improvement rule to the offsetting trade that improves a price of the offsetting trade for at least one party to the offsetting trade,

wherein applying the at least one price improvement rule comprises the system proprietor:

capturing a bid price and an offer price for the selected financial instrument from the offering inventory; and

computing an improved price for trading the selected financial instrument that is an improvement to the first order price, which improved price is between the bid price and the offer price;

said method further comprising the steps of forwarding the offsetting trade to a remote public exchange for execution at the improved price; and

updating the database and the offering inventory to reflect transactions forwarded by the method.